

# CANADA: THE AGRICULTURAL GREENHOUSE INDUSTRY

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#### Summary

A significant demand exists for agricultural greenhouses and associated products in the Canadian market. Industry experts have touted the greenhouse industry a silent engine of growth for various sectors of the Canadian economy. U.S. companies can strategically enter this burgeoning industry and take advantage of existing market potential.

## **Industry Overview**

In Canada, greenhouses are utilized for three main industries: horticulture, agricultural/vegetable production and nursery industries. A recent report prepared by Statistics Canada states that these industries have experienced expansive and continuous growth from 1990 to 2007. While this growth has recently declined due to the economic recession, the rising Canadian dollar, and increased labor, energy and heating costs, it is expected to steadily grow in upcoming years.

There are many industry associations in Canada for greenhouses and affiliated products. They include:

- Canadian Horticultural Council
- Canadian Nursery Landscape Association
- Alberta Greenhouse Growers Association
- Ontario Fruit and Vegetable Growers Association
- Ontario Greenhouse Vegetable Association
- Quebec Produce Marketing Association
- Flowers Canada Growers
- Canadian Horticultural Council Provincial Links
- BC Agricultural Council
- BC Greenhouse Growers Association
- BC Landscape and Nursery Association
- BC Vegetable Marketing Commission
- United Flower Growers Co-operative Association

#### **Market Data**

The demand for greenhouses and associated accessories in Canada is regionally-specific. The greatest demand exists in the provinces of Ontario, British Columbia, Quebec and Alberta, as a result of their climactic and energy advantages and their proximity to central domestic and U.S. markets. However, within each province, demand varies in accordance with the different weather conditions. For example, experts note that British Columbia's moderate coastal climate depends mostly on glass-covered greenhouses. On the other hand, in Eastern Canada, the continental climate with colder winters and hot, humid summers requires a blend of glass and double-plyethylene-covered greenhouses. U.S. companies interested in the Canadian market should take note of this differential regional demand.

The Ontario Ministry of Agriculture, Food and Rural Affairs released a chart detailing the demand for greenhouses and affiliated products in Canada. A reformatted version of this table is provided below. As evidenced by the chart, the total greenhouse numbers, sales and investments have steadily increased from 2005 – 2007.

Item	Ontario 2005	Ontario 2006	Ontario 2007	Canada 2005	Canada 2006	Canada 2007
Glass ('000 sq m)	2,667	3,077	3,066	5,885	6,387	6,352
Plastic ('000 sq m)	7,777	8,346	8,361	14,006	14,722	14,593
Total Greenhouse Sales (\$'000)	1,174,366	1,233,725	1,246,085	2,151,614	2,265,372	2,283,870
Total greenhouses (no.)	1,200	1,115	1,200	3,425	3,095	3,475
Total investment <sup>c</sup> (\$'000)	1,621,800	1,800,000	1,820,000	3,304,670	3,707,434	3,736,434

Source: http://www.omafra.gov.on.ca/english/stats/hort/greenhouse1.htm

In recent years, both the horticulture and the floriculture industry have experienced extensive growth domestically and internationally.

In the horticulture industry, Canadian greenhouse vegetable production is concentrated mainly in Ontario and B.C. – Ontario produces 66% of greenhouse vegetable production and B.C. produces 24%. Canadian greenhouse vegetable growers are world leaders in utilizing advanced technology in biological pest control and computerized climate control systems.

According to Agriculture and Agri-Foods Canada, the main greenhouse vegetable crops grown include: Tomatoes (431 ha, 210 million kg), Cucumbers (224 ha, 23.2 million dozen), Peppers (215 ha, 51.4 million kg) and Lettuce (9.3 ha, 23.5 million heads).

Canada also is a global leader in greenhouse floricultural products. In North America, Ontario is the third largest producer behind California and Florida. A report published by Wayne Brown and Graeme Murphy, two greenhouse floriculture specialists, suggests the value of Ontario's floricultural production is equivalent to 25% of the entire US floriculture industry and 10% of the total Netherlands industry.

In 2007, Statistics Canada reports that greenhouse operators contributed \$2.3 billion in total greenhouse sales. These figures demonstrate that the greenhouse industry is one of the major contributing agricultural sectors in Canada.

#### **Key Market Issues**

With technological advances, the greenhouse industry can increase the production of crops or flowers per cultivated unit area. New technologies are required to ensure better light transmissivity, maintain optimal temperature, light, moisture and carbon dioxide levels, improve irrigation, control insect pests and diseases, ensure more efficient labor and help conserve energy. Investment in these technologies will help greenhouse producers remain competitive in the marketplace and improve their capabilities of cultivating high-quality crops and flowers in protected environments.

#### **Best Prospects**

The greenhouse sector plays a key role in the Canadian economy. U.S. companies can participate in this vibrant and emerging industry by manufacturing or distributing products and materials for greenhouses including garden supplies, tension fabric buildings, portable garages, heating and cooling products, electrical and plumbing supplies, building materials and agricultural supplies. The capital-intensive nature of this emerging market also offers promising opportunities for financial investors in research, industry development and technical support.

# **Upcoming Trade Shows**

Agricultural trade shows offer U.S. companies opportunities to enter the marketplace, enhance product visibility, generate leads and increase sales. Upcoming Canadian agricultural trade shows include:

Garden & Florist Expo

< www.gardenexpo.ca/ >

Oct. 20 - 21, 2009; At the Toronto Congress Centre in Toronto, ON

Canadian International Farm Show

< www.torontofarmshow.com/ >

Feb 17 – 19, 2010; Venue TBA in Toronto, ON

Successful Gardening Show

< www.successfulgardeningshow.com >

March 18 – 21, 2010; At the Toronto International Centre in Toronto, ON

Northlands Farm & Ranch Show

< www.farmandranchshow.com/ >

April 7 - 10, 2010; At Northlands Park in Edmonton, AB

#### For More Information

The U.S. Commercial Service in Calgary, Canada can be contacted via e-mail at: <a href="mailto:crystal.roberts@mail.us.doc.gov">crystal.roberts@mail.us.doc.gov</a> Phone: 403-265-2116; Fax: 403-266-4743; or visit our website: <a href="mailto:www.buyusa.gov/canada">www.buyusa.gov/canada</a>.

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